

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

September 26, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

HAWAII

Request to Write-Off Uncollectible Account on the Island of
Hawaii

BACKGROUND:

Pursuant to Section 4-82, Hawaii Revised Statutes, the directors, boards, or executive heads of executive departments may from time to time prepare and submit for review of the Attorney General a list of all uncollectible accounts in their departments. Such accounts as the Attorney general finds to be uncollectible shall be entered in a special record and be deleted from the accounts receivable records of the departments, which shall thereupon be relieved from any further accountability for their collection.

The following balance have been deemed uncollectible:

GL 3949 Big Island Floral Inc.

Puna, Hawaii

Amount owing: \$56,418.05

The Land Board at its meeting of September 22, 2000 (D-15), approved and recommended that the Lessee be allowed until October 15, 2000 to cure a rent default and bring its account current, including initiating the conservation plan process with NRCS. Lessee brought its rent current by payment submitted on October 13, 2000.

At its meeting of December 15, 2000 (D-25), the Board rescinded its prior action and approved a one-year holdover of the lease, subject to Lessee's fulfillment of certain conditions. One of the conditions imposed by the Board was that the Lessee post a performance bond in the amount of \$24,500 by December 19, 2000. The Lessee failed to meet this condition and the lease was terminated.

The Lessee vacated the property, leaving behind various equipment and fixtures of its former operations. These included shade house materials (shade cloth, support pipes and

cable), irrigation pipes and fittings, wood benches and supports, pots, planting materials, and other materials and structures. Staff solicited bids for the clean up of the premises, and the work was awarded to C & H Ishii General Contractors, Inc. whose estimated clean-up cost (exclusive of tipping fees) was \$47,520.80. Tipping fees for disposal of waste items at the county landfill totaled an additional \$8,309.25. A second bid was awarded to Leo's Recycle Inc. for clean-up of tires left on the premises at a cost of \$588.00. The total clean-up cost was therefore \$56,418.05.

Bills were sent to the Lessee to collect this amount, but all mail was returned to sender. The matter was turned over to the collection agency Medcah, Inc. in August 2002.

In May 2007, Medcah notified the Department it is unable to locate the debtor.

RECOMMENDATION:

That the Board approve of and recommend to the Attorney General that the above listed uncollectible accounts be deleted from the Department of Land and Natural Resources accounts receivable and placed in a special record and that, should any account so listed become collectible, that such account be transferred back to the current accounts receivable.

Respectfully Submitted,



Charlene E. Unoki
Assistant Administrator

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson



